



SENATE REPUBLICAN

POLICY COMMITTEE

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A Thumbnail Analysis of S. 1 – S. 10

On January 4, 2007, Majority Leader Reid introduced S. 1 through S. 10. Historically, the first 10 bills of an incoming majority represent a road map for how the new majority will translate its campaign pledges into reality.

As introduced, however, 6 of the 10 bills in S. 1 through S. 10 consist of no more than short Sense of Congress language expressing goals but providing no details on how the goals will be met or how their costs will be paid. The four bills that do contain specific legislative text all amount to language that the Senate either passed or considered last Congress (ethics reform, minimum wage, stem cells, and revised PAYGO rule).

A listing of S. 1 through S. 10 as introduced in the 110th Congress is as follows (those that are simply Sense of Congress resolutions are noted with SoC):

- S. 1 – Ethics and lobbying reform
- S. 2 – Minimum wage increase
- S. 3 – Medicare prescription drug negotiation (SoC)
- S. 4 – Unfinished 9/11 commission recommendations (SoC)
- S. 5 – Stem Cell research
- S. 6 – Energy dependence and greenhouse emissions (SoC)
- S. 7 – College affordability (SoC)
- S. 8 – Armed Forces Capabilities and Readiness (SoC)
- S. 9 – Immigration (SoC)
- S. 10 – Revised PAYGO rule

It is expected that Democrats will add substantive legislative language to the Sense of Congress bills in committee or through floor amendments.

Analysis of Individual Bills in S. 1 through S. 10

S. 1, Ethics and Lobby Reform – The text of S. 1 is identical to the ethics bill passed by the Senate last Congress on a vote of 90-8.

S. 2, Minimum Wage Increase – As the Democrats proposed last year, the bill increases the hourly Federal minimum wage from \$5.15 to \$7.25 in two years. While, as introduced, the bill does not include any job creating provisions through regulatory or tax relief, at a press conference on January 5, 2007 Senator Reid indicated, “If it takes adding small business tax cuts to get a minimum wage increase, we are going to do it.”

S. 3, Medicare Prescription Drug Negotiation – The text of the bill is a Sense of Congress that calls for: “legislation to amend part D of title XVIII of the Social Security Act to provide for fair prescription drug prices for Medicare beneficiaries.” Nothing in the bill actually states how the Secretary of Health and Human Services (HHS) should achieve this goal. This is particularly problematic as HHS Secretary Leavitt was quoted in the *New York Times* on January 2, 2007, saying that he did not want the power to negotiate Part D drug prices: “I don’t believe I can do a better job than an efficient market.” Further, many of the cited examples of programs with lower drug prices achieve savings through a restrictive formulary, which would limit drug choices and availability.

S. 4, Unfinished 9/11 Commission Recommendations – The bill’s text simply states that it is the “Sense of Congress that Congress should enact, and the President should sign, legislation to make the U.S. more secure by implementing unfinished recommendations of the 9/11 Commission.” No details are provided of specific provisions that the Democrats consider unfinished. For example, some editorial boards have commented that the Democrat-advocated policy of 100-percent scanning of inbound cargo may be cost-prohibitive for both government and private industry.

S. 5, Stem Cell Research – The bill is the same as the legislation vetoed by President Bush last Congress. As introduced, the bill does not include any provisions relating to alternative methods to develop stem cell technologies.

S. 6, Energy Dependence and Greenhouse Emissions – Again, the Sense of Congress language talks of reducing energy dependence and greenhouse emissions, but provides no specifics on how this will be accomplished. The bill is also largely silent on increased production as a component of a comprehensive energy solution.

S. 7, College Affordability – The bill reads that legislation should be passed and enacted to “make college more affordable through increased Federal Pell Grants and providing more favorable student loans and other benefits.” No cost estimate is given, nor is any mention made of how this will be paid for without increasing the deficit or raising taxes. The contemplated new spending is presumably on top of current federally funded student aid for higher education which, during the 2004-05 school year, totaled \$90 billion – a real increase of 103 percent over the past decade.

S. 8, Armed Forces Capabilities and Readiness – While this Sense of Congress bill speaks to restoring and enhancing the armed forces, no specifics are provided. The bill also is silent on Democrat policy on Iraq, Iran, and North Korea.

S. 9, Immigration – Another Sense of Congress bill calling for legislation to “provide for more effective border and employment enforcement to prevent illegal immigration, and to reform and rationalize avenues for legal immigration.” As is the case in the other Sense of Congress bills, no details are available on specific measures to improve enforcement of current immigration laws, further secure the border, or deal with the estimated 10 million illegal aliens currently in the United States.

S. 10, PAYGO – The bill reimposes an earlier version of the PAYGO rule on the Senate than the rule currently in effect. The key distinction is that Democrat PAYGO rule effectively will prevent Congress from extending the Bush tax relief, which includes the 10-percent bracket, death tax relief, increased child tax credit, and marriage penalty relief. In addition, S. 10 does not allow a budget reconciliation bill to provide for tax cuts, such as those passed in 2001 and 2003. Reconciliation protection precludes a filibuster and allows for passage with 51 (rather than 60) votes.

Conclusion

As Republican Leader McConnell noted on the first day of session, January 4: “When faced with a problem, we will seek solutions, not mere political advantage.” While the Democrats have not yet fleshed out their legislative agenda, there are many Republican ideas which will be added to the debate over the priorities for this Congress.

For example, while S. 1 through S. 10 do not address the economy, the extension of the 2001 and 2003 tax cuts will be critical in determining if GDP growth and job creation continue. Rising revenues from the economy (15 percent growth in receipts for 2005 and 12 percent growth in 2006) have cut the deficit by \$165 billion in two years and led President Bush to call for balancing the budget by 2012.

Other examples of important policy areas not covered by Democrats in their top 10 bills include: strengthening Social Security and ensuring the continued success of the Terrorist Surveillance Program.